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Who are Gen Y'ers and What do They Want From Their Employers?

Abstract

Question: Who really are Gen Y'ers and what do these people want from their employers? What are new and innovative ways of employee recognitions for them? Elaborate on two or three best practices in the market.

Keywords

human resources, millennials, generation Y, generation Z, how to motivate millennials

Comments

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From: Wonjang Lee, Soojin Lee
Date: March 7, 2013

Initial Question: What are the most preferred forms of employee recognition for Gen Y and Z employees?

Clarified Question: Who really are Gen Yers and what do these people want from their employers? What are new and innovative ways of employee recognitions for them? Elaborate on two or three best practices in the market.

Executive Summary

Who Are Generation Y?

Defined as those born between the years 1981 and 2001, students and 20-something graduates today have been called Generation Y, Gen Y, Millennials or Generation Why for their inquisitive nature(Chester, 2002). Following upon the heels of Generation X, these Gen Yers will make up of almost half of the country's workforce by 2020(McArthur, 2009). They display values and attitudes quite distinct from those of the preceding generations. Some of the major characteristics that represent Gen Yers include adaptability in terms of adopting new technology and accessing information(Zemke,R., Rains, C., & Filipczak, B., 2000), flexibility to choose hours and location and to spend time to do what they want(Hewlett, Sherbin, & Sumberg, 2009), practicality and thinking in term of "we" rather than "I"(News: Employee benefits management newsletter, benefits of 401(k) plans fail to engage many of the new "Millennial" workers.2004). Due to such facts, what they wish to gain from their work places and lives can vary greatly as well. According to a research, the older generations who are usually in managerial positions or above are less likely to embrace recognition initiatives. In fact, the percentage of this group who strongly favor them is 41% for boomers and 29% for mature workers. However, 58% of Gen Y want pathways to personal growth and want this closely tied to recognition initiatives (Huff, C., 2006). Therefore, many experts advise that companies looking to retain Gen Yers will likely have to modify their benefit or recognition plans to adapt and appeal to the mindset of these younger professionals(Hewlett et al., 2009).

The Trend in Recognition Program

In order to motivate and reward Gen Yers appropriately for the contributions they make and further to lead the businesses out into the future, many companies as well as human resource consulting firms are seeking ways to reinvent the recognition programs. One of the most current trends shown nowadays is the use of technology. Recognition apps and various sources of social media abound, and this leads to a flood of immediate mobile recognition as employees use their smartphones or tables and use social media that supplant traditional reward platforms such as portal programs to acknowledge and praise their peers.(Lowenberg, 2011) Also, corporate social responsibility (CSR) is seen as a more comprehensive approach to employee recognition. CSR is not just a nice-to-have offering now, but an essential program that inspires a connection to people and community, and connects directly to workers' engagement with their employer as an internal motivator.(Palmer, A., 2013) This is true because research shows that 55% of Gen Yers are members of external volunteer networks(Hewlett et al., 2009). Another huge trend is called gamification. Gamification is the use of game design techniques and mechanics to solve problems and engage audience(ABSHIRE, 2013). Effective games allude to a unifying theme or values of the company, provide achievable short-term goals, and reinforce behaviors. Employees earn points by posting

creative new topics for discussion or responding to the posts of others, generating dialogues that keep the company's programs and perspectives fresh and innovative. They also achieve a sense of achievement, pride, belonging, and ownership and get rewards for success in return. It is estimated that over 50 percent of organizations that manage innovation processes will "gamify" them in the next three years(Savitz & Heisler, 2012a).

Best Practices

- Kimberly-Clark Professional – KCP, the B2B arm of the Kimberly-Clark Corporation, won the Grand Motivation Master Award at Incentive's Fourth Annual Motivation Masters Awards last year for their loyalty program called "KCPzone". They built this website around the participant experience and aggressively adopted gamification. A place of engagement that identifies high-value action, KCPzone provides points-based rewards program with rewards redeemable for a reloadable gift card. It created a navigation challenge like a scavenger hunt, by planting icons on pages the company wants employees to visit. A voting photo contest that awarded bonus points to whoever submitted their pictures with families and friends provided fun and boosted employees' engagement. KCPzone is also a resource center where employees get sell sheets, downloadable presentations and all, inducing more frequent visits. Using gamification strategy, KCP created an overarching community that is practical and also conducive to employees' engagement.(Jakobson, 2013)
- Google – Google is one of the several pioneering companies – others include Goldman Sachs, GE and McKinsey & Company – that have shown a different level of engagement strategy and leadership by offering two-year deferrals to Gen Yers who are accepted into both their companies and Teach for America(News: Employee benefits management newsletter, benefits of 401(k) plans fail to engage many of the new "Millennial" workers.2004). Teach for America is the national corps of outstanding recent college graduates who commit two years to teach in urban and rural public schools. In addition to being able to defer employment, participants in the program is paired with a Google mentor, who works with them throughout their teaching commitment. (Google) Google's such forward-thinking strategy not only gives credits to its future leaders' capabilities, it also implies that the company is adapting to the reality that many Millennial pursue non-traditional paths to the corporate world and that they want to be socially responsible and committed.
- Hewlett-Packard – HP operates Corporate Administration and Shared Services organization(News: Employee benefits management newsletter, benefits of 401(k) plans fail to engage many of the new "Millennial" workers.2004), which is a globally dispersed collection of six different HP business units. Employees receive weekly e-mails and downloadable desktop wallpaper that remind workers to check the CASS Connect website every week for new success stories of CASS employees in a wide variety of roles across all levels. In addition, the program offers a career-planning checklist and a mentoring-connection function, "learnings". It is no doubt that CASS has the highest engagement scores in the company. (Freedman, 2011)

Conclusion

Some say it is now a “new era of strategic recognition” (“The new era,” 2013), in which employees are connected to their organization through a program of “planned involvement.” This style of recognition is more strategic, aimed at encouraging long-term loyalty from workers. Especially when it comes to Gen Yers who seem to be every more demanding and complex, it is pertinent that companies customize their retention programs to suit the needs of this generation. The recognition methods mentioned above will be transformative forces in helping businesses reach their corporate strategies and objectives.

Appendix

Table 1. Share of total hours worked by workers between 15 and 65 years old in the private business sector, 2006-2010 – The table shows the shift in the age distribution toward younger ages. The fraction of hours worked by those 30 and under increased from 18.0 percent in 2006 to 25.6 percent in 2010, while the fraction worked by those over 55 fell from 16.3 percent in 2006 to 13.1 percent in 2010. The movement towards a younger age distribution tends to reduce the labor composition index.

Age	2006	2007	2008	2009	2010
15-20	0.6	1.2	2	2.9	4
21-25	6.3	7.6	8.4	8.9	10
26-30	11.2	11.4	11.7	11.6	11.6
31-35	11.3	11.1	11.1	10.9	10.9
36-40	11.7	11.7	11.7	11.8	11.8
41-45	12.1	12.2	12.1	12	11.6
46-50	13.1	13	12.8	12.8	12.7
51-55	12.4	12	11.9	11.7	11.3
56-60	9.8	9.4	9	8.7	8.4

Source: <http://stats.bls.gov/mfp/mprlabor.pdf> (4th page) www.dol.gov.

Table 2. The survey was based on interviews with 150 senior executives from the 1,000 largest U.S. companies, It asks which is most likely to cause good employees to quit their jobs.

	2009	2004
Unhappiness with management	35%	23%
Limited opportunities for advancement	33%	39%
Lack of recognition	13%	17%
Inadequate salary and benefits	13%	11%
Bored with their job	1%	6%
Other/don't know	5%	4%

Source: Robert Half International

Table 3. Communication and Learning Preferences for Gen X and Gen Y

	Generation X	Generation Y
Communication Preferences	Less Frequent Informal Communication	Frequent Informal & Social Communication. Desire positive, motivational feedback
	Technological Communication okay	Technological Communication the norm (e.g. email, IM, SMS/text. blogs)
	Better with Constructive Criticism	Struggle to accept constructive criticism
	Direct, Specific Words and Feedback	
	Two-way communication (regardless of level) , explain why and request input	
Learning Preferences	Want lots of marketable skills and experience	Ready for – and demand to learn immediately, anytime and anywhere
	Want Choice and Control	Value Collaboration, Input, Guidance
	Leadership Development	
	New, Experiential, on the job learning activities	
	Coaching Relationships, Teamwork, Mentors	
	Not just classroom, technology options and tools (particularly Gen Y)	

Source: <http://www.maritz.com/~media/Files/MaritzDotCom/Webcasts/Incentives/How-to-Motivate-the-Next-Generation-of-Sellers-the-Right-Way.ashx>

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Abstract: 2012 Motivation Masters Category Winners

Engagement and Recognition: Assurant

Assurant, a provider of specialty insurance products, turned to Anderson Performance Improvement to create a flexible, online recognition tool that uses e-cards, spot recognition awards, and tiered, points-based awards. In two years, more than 7,500 awards were handed out, along with 7,000 e-cards. Satisfaction survey scores have grown by 6 percent.

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Abstract: Apple, Inc., retains its Millennial dream company status by pitching its opportunities as “corporate jobs, without the corporate part” and telling Millennials what they want to hear: “We’ve got an environment where you can make things happen. Fast. There’s plenty of open space – and open minds. Collaboration. And of course, innovation.

New MBA hires convinced healthcare giant Johnson & Johnson to create an internal social network, which now includes virtual classrooms and a career counseling center.¹⁵ More alarmingly, research shows that Millennials are likely to circumvent corporate security guidelines that interfere with their preferences and to develop their own “creative workarounds” to use favored technologies.¹⁶ The message is clear: HR leaders can improve engagement, productivity, and retention of Millennials by fully embracing the technology and social media we already use.

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Abstract: The trends were determined after a three-month review of a range of sources and research,

including academic journals, trade journals, and one-on-one interviews with c-suite executives. The full list of trends are as follows:

1. The Built Environments Crucial Role in Organization Performance
2. Superstar Recruitment – the Power of Community
3. Inspiring a Connection to People, Community and Brand Through CSR
4. A Contemporary View of Inclusion and its Effect of Psychological Health
5. 21st-Century Mentoring
6. Thriving in the Cloud
7. Ushering in the New Era of Recognition
8. Facilities Management: A Strategy, Not a Tactic
9. Data Reporting OUT; Predictive Modeling IN
10. International Design and Construction; a Shifting Paradigm
11. The Changing Office ... Literally
12. Integration as THE Solution

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Abstract: Promote labour standards and rights of young people. Key areas include adopting a rights-based approach to youth employment, by ensuring that young people receive equal treatment and are afforded rights at work; committing to develop youth employment policies that take international labour standards into account; promoting and protecting young workers' rights to organize and to bargain collectively; and ensuring adequate social protection for all young workers to facilitate transitions into stable employment and decent work.

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Abstract: Cubicle Shackles: Millennials have a very hard time understanding why they need to sit in a cubicle 8-10 hours a day. They want the flexibility to work anytime, from anywhere, and many companies are revamping their policies to provide more flexibility, using flex time as a “perk” to attract Millennials to their workforce. The upside? Employees from all generations respond favorably to this flexibility and employers actually find that most employees become more productive...and tend to put in longer hours!

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http://hr.bna.com/hrrc/2130/split_display.adp?fedfid=20128944&vname=hrrnotallissues&wsn=494397000&searchid=19659271&doctypeid=3&type=date&mode=doc&split=0&scm=2130&pg=0

Abstract: Strategy and technology consulting firm Booz Allen Hamilton instituted a “red zone” program to help employees recognize the signs of burnout in their hard-working co-workers. Employees are encouraged to let a manager know if another employee is doing too much and needs a vacation or assistance, Branham said.